



# **Virginia Employers for Sensible Immigration Policy (VESIP)**

# Mission

- VESIP is a coalition of businesses and their trade associations that supports a business climate that facilitates the legal employment of immigrant workers.

# Members

- Associated General Contractors of VA
  - 813 employers
- VA Home Builders Assoc.
  - 6,410 businesses
- NFIB
  - 6,500 member businesses
- VA Automatic Merchandizing Assoc.
- VA Chamber
  - 950 employers
- VA Hispanic Chamber
  - 300+ businesses
- VA Manufacturers Assoc.
  - 119,000 employees and \$5 billion in payroll

# Members

- VA Poultry Federation
  - 10,000+ employees
  - 1,200 Family Farms
- VA Forest Products Assoc.
  - 250 members
- VA Farm Bureau
  - **37,500 Farm Families**
- VA Retail Merchants Assoc
  - 5,400 businesses with hundreds of thousands of employees
- VA Seafood Council
  - 2,500 employees
- VA Transportation Construction Alliance

# Members

- Virginia Wholesale and Distributors Assn.
- George's Foods, LLC
- Pilgrim's Pride Corporation
- Smithfield Foods, Inc.
  - 6,000 Virginians
- Tyson Foods
- VA Agribusiness Council
  - 40,000 Virginians
- VA Hospitality & Travel Assoc.
  - 1,300 businesses

# Core Principles

- **Protect and Preserve Virginia's Position as the Number 1 State in the Union to do Business**
  - **Forbes.com: Fall 2006; Fall 2007**
- Immigrant employment rules are a FEDERAL, not state responsibility
  - States are limited in what laws they can pass due to federal preemption
- Support legal – NOT illegal – immigration
- Legal immigrant workers are essential to VA's economy
- VESIP supports policies that protect employers from penalties when acting in good faith to comply with immigration law

# Core Principles

- Support federal reform:
  - Border security
  - Improve employment verification system (E-Verify)
  - Ensure sufficient legal immigrant workers
- Virginia employers should not be required to enforce federal immigration law
- Virginia should focus on the criminal enforcement side of illegal immigration



# Core Principle No. 1

## Being the Best/ Staying the Best

- **Virginia is the Best State for Doing Business**
  - **Forbes.com: Fall 2006; Fall 2007;**
- “Virginia grabbed the top spot in Forbes.com's first-ever Top States for Business thanks to its strong economic growth, low business costs and excellent quality of life ” Fall 2006
- “[**Virginia**] **dominated our rankings**, placing in the top ten in each of the six categories we examined: business costs, economic climate, growth prospects, labor, quality of life and regulatory environment. **No other state placed in the top ten in more than three categories.** ” Fall 2006

# **Core Principle No. 1**

## **Being the Best/ Staying the Best**

- **Virginia Faces Competition for the No. 1 Spot**
- **Fall 2007: "In Forbes.com's second annual Top States for Business, Virginia may be the top-ranked state for the second straight year, but Washington is the big story."**
- **Fall 2007: "Not that Virginia did badly--it just didn't dominate the rankings the way it did last year. The state finished in the top 10 in four of the six main categories we examined. But in 2006, it finished in the top 10 of all of them."**

# **Core Principle No. 1**

## **Being the Best/Staying the Best**

- **"[Forbes.com] looked at a total of 30 metrics within the six general categories, and Virginia scored in the top half of all but three of them"**  
Forbes.com; 2006
- **Virginia Rated Number 1 in Nation for "Regulatory Environment" For 2006 and 2007**
- **"Regulatory Environment" No. 1 Ranking, Key to overall ranking.**

# **Core Principle No. 1**

## **Being the Best/Staying the Best**

- **"[Virginia adopts the] novel concept of Democrats and Republicans working together."**  
Forbes.com
- **"There has been a real bipartisan tradition in Virginia of wanting to have a strong business climate. That political consensus has helped the legal and regulatory climate,"** says Kaine.
- **"The governor and the legislature strive to keep taxes and regulation low, fair and business-friendly."** Forbes.com

# 2007 Rankings

Forbes.com - Magazine Article

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## Table: The Best States For Business

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OVERALL RANK	2006 RANK	STATE	BUSINESS COSTS RANK <sup>1</sup>	LABOR RANK <sup>2</sup>	REGULATORY ENVIRONMENT RANK <sup>3</sup>	ECONOMIC CLIMATE RANK <sup>4</sup>	GROWTH PROSPECTS RANK <sup>5</sup>	QUALITY OF LIFE RANK <sup>6</sup>	POPULATION	GROSS STATE PRODUCT (\$BIL)	FIVE-YEAR CHANGE (%)	GOVERNOR
1	1	Virginia	17	5	1	11	8	6	7,644,230	335	4.4	Tim Kaine
2	4	Utah	12	11	17	9	16	12	2,514,200	81	3.5	Jon Huntsman
3	3	North Carolina	6	22	2	27	5	30	8,783,550	336	3.7	Michael Easley
4	2	Texas	21	26	7	10	2	28	23,261,060	888	3.9	Rick Perry
6	12	Washington	33	4	5	16	4	32	6,369,300	256	3.0	Christine Gregoire
8	6	Idaho	11	10	30	3	23	27	1,462,790	45	4.6	C.L. Otter
7	9	Florida	31	15	12	1	3	35	18,138,140	616	4.9	Charlie Crist
8	5	Colorado	35	2	15	33	1	23	4,736,630	205	3.4	Bill Ritter
9	13	North Dakota	5	37	16	11	42	14	636,480	22	3.5	John Hoeven
10	14	Minnesota	32	13	19	23	26	1	5,171,890	224	3.8	Tim Pawlenty
11	8	Delaware	7	14	32	39	14	15	854,950	52	3.5	Ruth Ann Minner
12	11	Maryland	41	3	24	8	15	21	5,642,140	228	4.0	Martin O'Malley
13	20	Tennessee	3	39	13	15	21	37	6,011,440	215	4.1	Phil Bredesen
14	18	New Hampshire	39	1	42	14	13	5	1,320,830	54	4.1	John Lynch
16	10	Georgia	23	25	4	34	17	29	9,228,230	345	3.3	Sonny Perdue
16	22	Missouri	14	20	8	44	37	17	5,831,010	199	2.3	Matt Blunt
17	7	Nebraska	15	36	11	30	38	13	1,767,360	66	3.3	David Heineman
18	15	Arizona	30	6	37	5	11	40	6,118,130	212	5.5	Janet Napolitano
19	16	New Jersey	46	9	33	25	7	3	8,770,910	425	3.7	Jon Corzine
20	21	Kansas	29	18	9	49	22	18	2,750,080	99	3.2	Kathleen Sebelius
21	24	Arkansas	9	40	22	17	9	45	2,805,840	80	3.8	Mike Beebe
22	26	Nevada	19	24	31	6	10	48	2,483,120	106	7.0	Jim Gibbons
23	27	South Carolina	20	28	6	36	17	43	4,296,160	133	3.0	Mark Sanford
24	25	Iowa	8	43	25	22	44	11	2,978,920	111	4.2	Chet Culver
26	17	South Dakota	1	31	45	17	35	24	778,410	29	4.2	Mike Rounds
28	29	New Mexico	10	34	43	5	6	50	1,952,650	62	4.1	Bill Richardson
27	32	Indiana	4	46	18	40	39	20	6,298,140	226	3.4	Mitchell Daniels
28	31	Oregon	26	7	34	32	19	38	3,684,490	134	3.8	Ted Kulongoski
29	23	Wyoming	2	35	48	4	36	39	512,830	23	4.2	Dave Freudenthal
30	19	Oklahoma	18	47	14	20	30	36	3,554,570	104	2.8	Brad Henry
31	28	Connecticut	44	8	40	37	24	4	3,523,250	199	3.2	M. Jodi Rell
32	30	Vermont	45	12	35	35	40	10	624,680	22	3.8	Jim Douglas
33	35	New York	48	33	20	21	25	19	19,261,520	847	3.9	Eliot Spitzer
34	36	California	50	17	39	17	12	26	36,460,740	1,606	4.5	Arnold Schwarzenegger
36	40	Alabama	27	45	23	23	20	41	4,599,260	140	3.9	Robert Riley
36	37	Massachusetts	49	19	29	47	29	2	6,403,120	322	2.9	Deval Patrick
37	42	Hawaii	47	16	38	2	40	33	1,279,100	49	4.1	Linda Lingle
38	34	Ohio	36	42	8	45	49	9	11,489,710	416	2.6	Ted Strickland
39	41	Pennsylvania	38	31	27	35	46	7	12,466,570	458	2.9	Edward Rendell
40	44	Illinois	37	30	20	46	31	22	12,819,060	523	2.4	Rod Blagojevich
41	33	Kentucky	16	41	28	48	25	34	4,201,730	133	3.2	Ernie Fletcher

# Virginia Employers Depend on Immigrant Labor

- 1 in every 10 Virginians is foreign-born ("Hispanic Immigrants and Citizens in Virginia", Weldon Cooper Center, UVa)
- The foreign-born participate in every major sector of the Virginia Economy (JLARC Briefing to Immigration Commission, 9/25/2007)
  - Almost 20% of the Virginia civilian labor force in the Hospitality, Food Services sector is foreign-born
  - Approximately 17% of the Virginia civilian labor force in the Construction sector is foreign-born

# Virginia Employers Depend on Immigrant Labor

- According to a 1997 study of Virginia agriculture by Virginia Tech, 80% of Virginia farmers surveyed indicated that they would sell their farms or retire from farming if the supply of seasonal and migrant workers disappeared.
- With Virginia essentially at full employment (unemployment rate at 2.9% in October), employers continue to need workers
- The supply for labor in low skill and high tech jobs, often filled by immigrants, is falling short of employer demand.

# Roles of Immigrants in Virginia's Economy

- Virginia's immigrant workers fall into two general categories ("Truths about Virginia's Immigrants", Dr. Qian Cia, Weldon Cooper Center, UVa)
  - Unskilled labor with less than a high-school degree
  - Skilled professionals with advanced degrees
- As a result of their education and skill levels, immigrant workers serve as complements to their native counterparts, filling essential positions that would otherwise be left vacant
- Immigrant workers are typically younger, helping to counterbalance the aging of Virginia's workforce ("Truths about Virginia's Immigrants", Dr. Qian Cia, Weldon Cooper Center, UVa)
- From 1995 to 2005, foreign-born workers accounted for 49% of national labor-force growth (Pew Hispanic Center, 2007 Report), stimulating capital investment through the addition of workers to the labor force



# Roles of Immigrants in Virginia's Economy; continued

- Immigrants are not only workers, they are also employers
  - The U.S. Census Bureau reported that in 2002, 1.6 million Hispanic-owned firms provided jobs to 1.5 million employees, had receipts of \$222 billion, and generated payroll of \$36.7 billion.
  - The U.S. Census Bureau also reported that in that same year, 1.1 million Asian-owned firms provided jobs to 2.2 million employees, had receipts of \$326.4 billion, and generated payroll of \$56 billion.

# Federal Requirements when Hiring Immigrant Workers

- The Immigration Reform and Control Act of 1986 created sanctions against employers that hire or continue to employ unauthorized workers.
  - \$100 - \$1,100 per individual I-9 for employers who fail to properly complete, retain or make I-9 Forms available for inspection
  - \$250 - \$11,000 per violation for employers who knowingly hire or knowingly continue to employ unauthorized workers
  - Up to \$3,000 per employee and/or 6 months in prison for employers engaging in a pattern or practice of knowingly hiring or continuing to employ unauthorized workers.
- Employers may also be subject to criminal prosecution for harboring or transporting undocumented aliens.

# Federal Requirements when Hiring Immigrant Workers

- All employers must complete and retain a Form I-9 for each individual they hire
  - In completing the I-9, the new hire must present the document or documents that prove his or her identity and eligibility for employment
  - Employers may not dictate which documents must be presented from the list of acceptable documents (29 in all)
  - Employers must accept documents that appear on their face to be genuine and to relate to the person presenting them
- The I-9 form is a one page document with a 35 page handbook

# **Risks of State Enforcement of Federal Immigration Law**

- **Adding a layer of bureaucracy to the State's administrative and legal structure.**
- **Increasing the Regulatory Burden on Virginia's Businesses**
- **Jeopardizing Virginia's national reputation as "Best Place to Do Business" because of a fair and reasonable business regulatory climate**

# Risks of State Enforcement of Federal Immigration Law

- Imposing penalties on employers who may not have knowingly and willingly violated immigration law could destroy businesses and greatly weaken Virginia's economy
- Legal employees lose jobs when businesses are shut down as a result of a single bad actor
- State laws may eventually be found to be preempted by federal law
- Mandating use of a Federal employment eligibility database that does NOT determine legal status, is unreliable and is extremely limited in its capacity

# VESIP Thoughts for the Immigration Commission's Efforts

- Virginia is in competition with other states to be the best place to do business.
  - Compare Forbes 2006 and 2007 ratings
    - Adding a layer of bureaucracy and increasing regulatory burdens on Virginia businesses risks our No. 1 rating
- Develop an understanding of the tremendous role immigrants now play in our state's economy
- Determine whether the Tangible Economic Benefits Outweigh the Costs of any administrative or legislative proposal

# Conclusion

- VESIP supports sensible policies that encourage the employment of legal immigrants
- VESIP seeks to preserve Virginia's No. 1 rating as the best place to do business
- VESIP opposes legislation that burdens employers with additional requirements beyond those at the federal level or which impose penalties on employers who are acting in good faith
- VESIP seeks to serve as a resource for policy makers as they consider the difficult issue of immigration policy

Thank You

The Members of VESIP